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CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600 27 July 1966

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27 July 1966

HIGHLIGHTS

The presidium of the Viet Cong's National Liberation Front (NFLSV) has strongly condemned South Vietnam's forthcoming September elections for a constitutional assembly, according to a statement broadcast by Hanoi on 25 July. The statement exhorted the people of the heavily populated towns not only to boycott the elections but also to "smash this deceitful buffoonery."

- I. The Military Situation in South Vietnam: Viet Cong guerrillas attacked the Soc Trang Airfield and the US 25th Infantry Division headquarters at Cu Chi with mortars and recoilless rifle fire (Paras. 1-2). Status of major lines of communications in South Vietnam (Para. 3). Weekly review of South Vietnam battle statistics (Para. 4).
- II. Political Developments in South Vietnam: Prime Minister Ky suggested on 27 July that a useful alternative to a ten-year or longer war of attrition might be the "annihilation of the Communists in their own sanctuary" (Para. 1). Ky and some of his ministers presented a state of the nation address to newsmen prior to being asked about his views on invading the North (Para. 2). The Viet Cong propaganda media have broadcast significant commentaries designed to exploit the weaknesses of the Ky-Thieu government (Paras. 3-4).
- III. Military Developments in North Vietnam: A report on the organization and facilities of the DRV Navy is given (Paras. 1-8).

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IV. Other Communist Military Developments: There is nothing of significance to report.

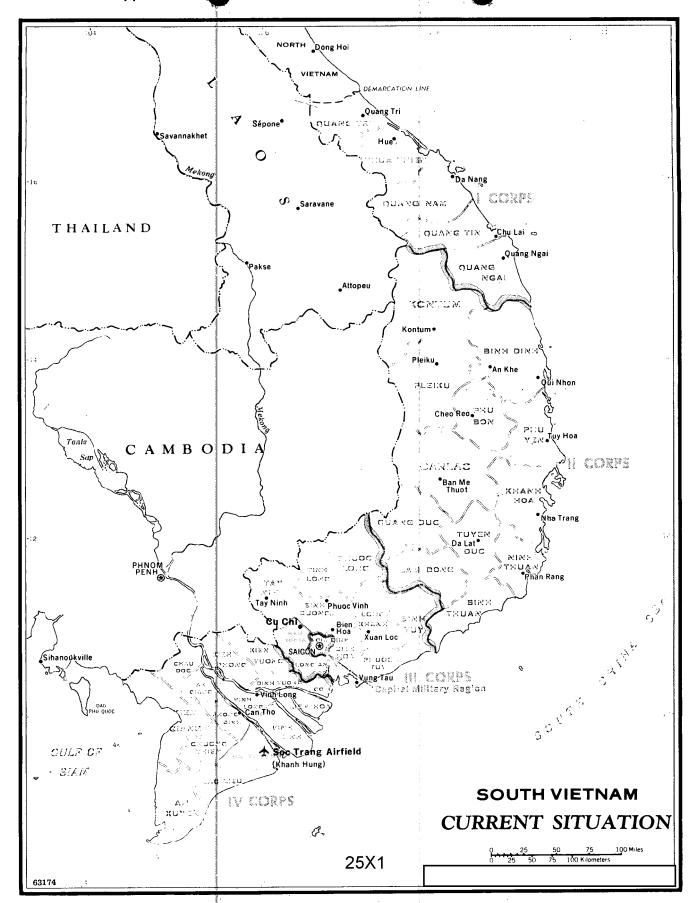
V. Communist Political Developments: The content of Peking and Hanoi propaganda in recent days has differed markedly on the status of the Demilitarized Zone separating North and South Vietnam (Paras. 1-2).

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ANNEX:

South Vietnam Battle Statistics 17-23 July
Total Personnel Losses
Cumulative US Combat Casualties
Total Friendly Forces Personnel Losses

South Vietnam Battle Statistics 17-23 July
Viet Cong Incidents
Viet Cong Attacks
Weapons Losses--GVN/VC



I. THE MILITARY SITUATION IN SOUTH VIETNAM

- l. In a continuation of the recently intensified Communist campaign against strategic allied installations in South Vietnam, Viet Cong mortar crews shelled the US air base at Soc Trang in the delta province of Ba Xuyen early today. A total of 20 shells struck the base. There were no casualties and no damage reported. Armed helicopters and an AC-47 "Magic Dragon" attacked the suspected enemy positions with unknown results.
- 2. Viet Cong guerrillas again struck the US 25th Infantry Division headquarters at Cu Chi, 18 miles northwest of Saigon, early this morning with 40 rounds of mortar fire. Eight hours earlier the base was hit by 135 rounds of mortar and recoilless rifle fire. Total American casualties in the two attacks were 29 wounded. There was no significant damage to equipment or facilities.

Status of Major Lines of Communications

3. The operational status of South Vietnam's major highways remained about the same during the week of 16-23 July. Another section of Route 14 was closed from Kontum to Dak To in Kontum Province. There were no changes in the status of the railway system.

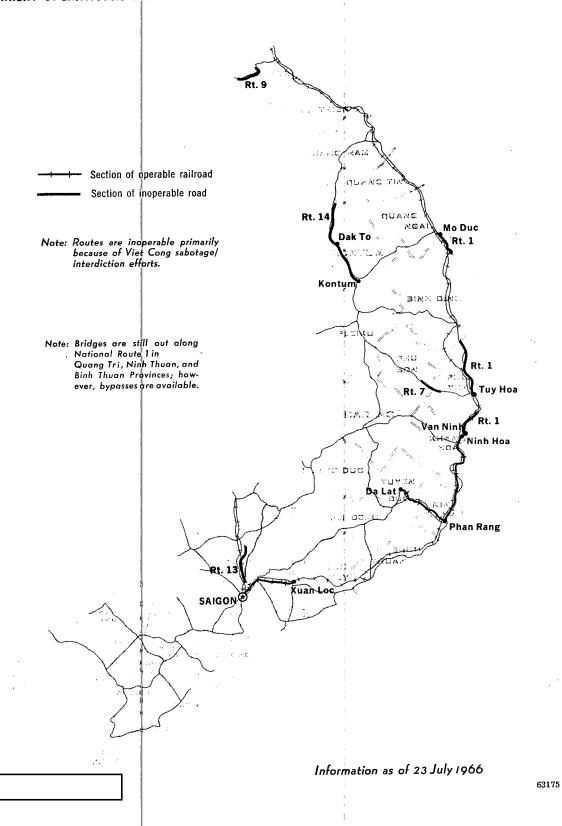
Weekly Review of South Vietnam Battle Statistics

4. The week of 16-23 July compared with the week of 9-16 July:

I. Viet Cong Incidents

Time Period	At- tacks	Regimental size	Battalion size	Company size	Harass- ment	Ter- rorism
9-16 July	19	0	2	3	487	28
16-23 July	24	0	0	1	462	19

CURRENT OPERATIONAL STATUS OF MAJOR TRANSPORTATION ROUTES AND COASTAL RAILROAD



I. Viet Cong Incidents (continued)

Time Period	Sabotage	Propaganda	Anti- Aircraft	Total Incidents
9-16 July	48	27	198	807
16-23 July	35	11	91	642

II. Casualties

	VC/PAVN		GVN		
	9-16 July	16-23 July	9-16 July	16-23 July	
Killed Wounded Missing/Captured	1,200 	1,272 120	209 371 <u>39</u>	195 361 <u>42</u>	
TOTALS	1,316	1,392	619	598	
	9-16 July	US 16-23 July	FREE 9-16 July	WORLD 16-23 July	
Killed Wounded Missing/Captured	65 368 <u>4</u>	136 578 2	5 16 <u>0</u>	3 7 <u>0</u>	
TOTALS	437	716	21	10	

III. Weapons Captured

	VC/PAVN		GVN		
	9-16 July	16-23 July	9-16 July	16-23 July	
Individual Crew-served	230 	Not Reported	152 3	151 0	
TOTALS	253		155	151	

II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- Premier Ky, expressing doubts as to the determination of the free world to continue its aid to Vietnam for ten years or more, suggested as an alternative that the Communists should be annihilated in their own sanctuary at an early date. The suggestion, which Ky labeled as "only a view of the war in Vietnam," was in the form of a response to a newsman's question following a state-of-the-nation message on 27 The question was prompted by July in Saigon. the release in Washington on the 25th of an interview by a US News and World Report correspondent with the premier, during which Ky apparently expressed the opinion that only an invasion of the North would assure final victory over aggression and prolonged guerrilla subversion.
- The state-of-the-nation message was presented by Ky and several of his key cabinet ministers to a large gathering of foreign and domestic newsmen. Ky prefaced his remarks on rural development by outlining the three primary objectives of his government in the past: to defeat the Communists and pacify the country, to provide for the election of a constitutional assembly, and to stabilize the economy. cited achievements of the past five months by General Thang's Ministry of Revolutionary Development, and reiterated the need for the government to establish contact with the rural populace. Reports by the other ministers on the state of the war, the economy, cultural and educational opportunities, and the right to free exchange of public opinion were essentially optimistic.

Viet Cong Pronouncements

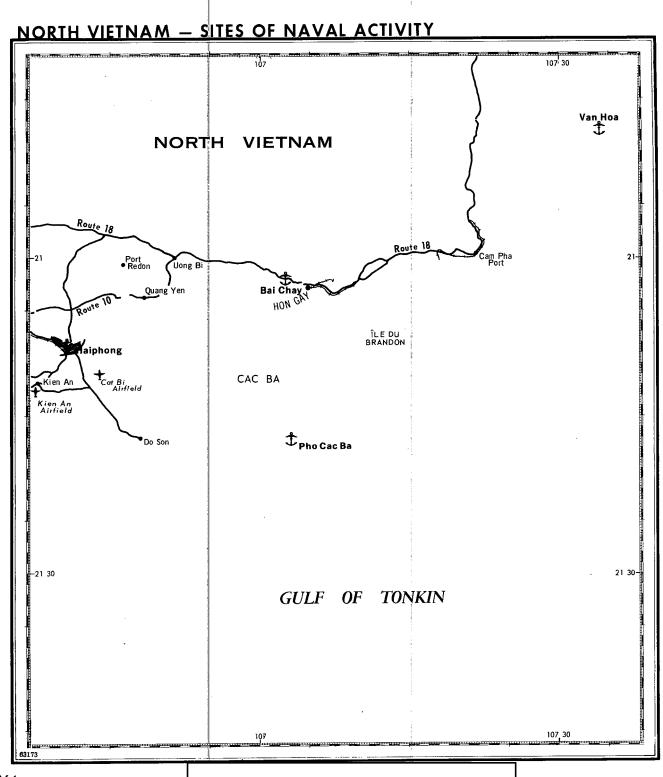
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- 3. The presidium of the Viet Cong's National Liberation Front has strongly condemned South Vietnam's forthcoming September elections for a constitutional assembly, according to a statement broadcast by Hanoi on 25 July. The statement, in English, exhorted the people of the heavily populated towns not only to boycott the elections but also to "smash this deceitful buffoonery." The importance the Communists attach to the elections has apparently been demonstrated in the Quang Tin Province capital where a VNQDD Nationalist Party candidate was injured in an attack by the Viet Cong on the party headquarters.
- 4. The Communist psychological and information apparatus has also made a pitch over the Liberation Front radio to Generals Vinh Loc and Dang Van Quang, the II and IV Corps commanders, advising them that they are the next targets of a government purge. The commentary cited the examples of the five ARVN generals who were recently sentenced or retired as a result of their antigovernment attitudes in the wake of General Thi's dismissal as I Corps

commander on 10 March.

Viet Cong warning to Vinh Loc and Quang probably represents more than a shot in the dark, and suggests that they are well aware of the weak spots among the military leaders.

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4. DRV naval forces assigned to infiltrate South Vietnam by sea are said to operate under the direct control of naval headquarters in a chain of command kept separate from the patrol and torpedo boat activities. These units, known as "Group 125,"

and may load

supplies for the South from a pier at Do Son.

__infiltration boats are

regularly moored at Brandon Island.

- 5. The Bai Chay naval installation appears to be the most highly developed operating facility currently available to the DRV Navy. It reportedly serves as the headquarters of the Northeast Military Region as well as the principal base for North Vietnam's patrol boat force of approximately 22 craft. The base is said to be equipped with a communications station and a docking complex under construction since 1957. Repair facilities include four marine railways capable of handling craft up to 100 tons. There are also two half-buried POL tanks with a capacity of 300-800 tons which are replenished by lighters from Haiphong. Nine 37-mm. AAA guns and an unknown number of 12.7-mm. or 14.5-mm. weapons are said to defend the port area.
- 6. Bai Chay is connected with the civil port of Hon Gay by two motorized ferries with a capacity of four trucks each. The DRV Navy reportedly has no permanent installations in Hon Gay but occasionally makes use of its superior docking and repair facilities.

a torpedo boat division recently used a commercial pier there to load torpedos in order to avoid the possibility of air attack at Bai Chay. Seven miles east of Hon Gay there is said to be a tidal basin used by the navy which is equipped with wooden cradles capable of supporting craft during hull inspection. A few miles further east a new facility is reported to be under construction which the navy will use as its main ammunition storage site. A new road, boat channel, and dock will serve the underground site and four German 88-mm. coastal defense guns are reported to be in the area.

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The new torpedo boat facility on the south-

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the new facilities are concentrated at Pho Cac Ba and include an underground communications and operational control center, mooring stations for the torpedo boats, a beaching area for a 50-ton landing craft which regularly brings supplies to the island, fresh water tanks, and an unknown number of AAA batteries.

eastern tip of Cac Ba Island provides the only offensive element of the DRV Navy with a secluded and advanced base in the offshore operating area.

a Chinese Communist engineering regiment (possibly 1,500 men) is building underground fortifications and emplacing radar stations near Pho Cac Ba. four tunnels in this area which have been constructed by the Chinese for coastal defense weapons.

8. The only other significant installation mentioned by the DRV naval personnel was the support site at Van Hoa. This is an isolated facility, far from any civilian community, and is apparently used as a repair and replenishment base. Its usefulness is limited by its distance from the main operating area and the lack of concealment from air attack,

aspect of the Van Hoa base is its use as an ammunition storage site, including the 60 Soviet-supplied torpedoes said to be remaining in the DRV inventory. The naval ordnance reportedly is stored in two caves served by a small rail-way capable of carrying heavy ammunition to the two torpedo boat loading piers. It is possible that Van Hoa's importance may diminish with the completion of the new ammunition storage site hear Hon Gay. Other facilities at the base include two camouflaged POL tanks, a supply ship

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loading wharf, a marine railway and repair complex, a torpedo maintenance shop, and various support buildings. AAA defenses as of early 1966 were said to consist of eight 37-mm. and eight 14.5-mm. guns.

IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

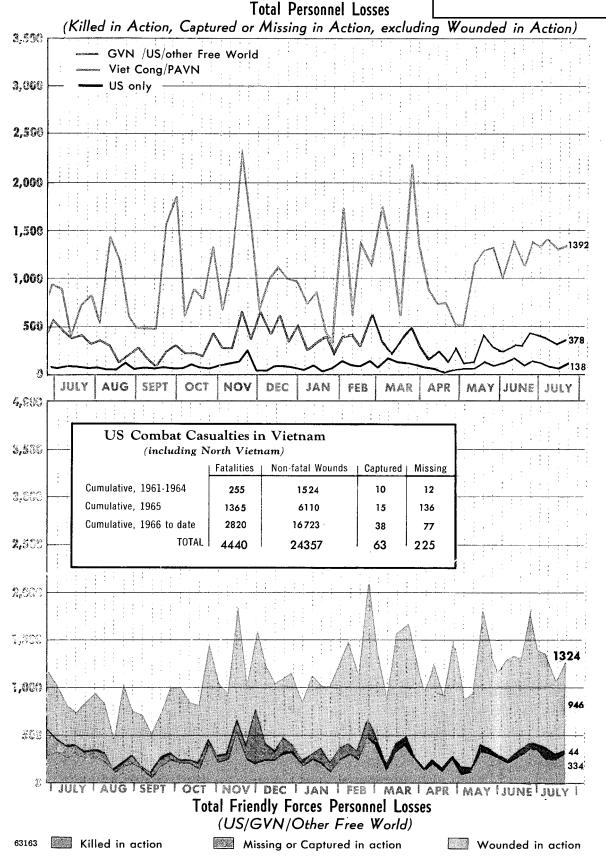
V. COMMUNIST POLITICAL DEVELOPMENTS

- 1. The content of propaganda from Peking and Hanoi has differed markedly in recent days on at least one point—that of the status of the Demilitarized Zone (DMZ) separating North and South Vietnam. Recent statements by Chinese officials have echoed other Peking pronouncements made as early as February of last year to the effect that the DMZ no longer exists because of the US "aggressive" acts against the North. These statements have also strongly implied that the North Vietnamese now have the right to strike into the South in retaliation.
- Hanoi propaganda, by contrast, has been quite cautious in mentioning the DMZ and has avoided making any statement similar to that from Peking. Recent DRV statements have attempted to underscore the buffer character of the DMZ and to point up North Vietnamese compliance with it as outlined in the Geneva agreements. Hanoi has, in fact, asserted that US claims of North Vietnamese violations of the border region are merely a ruse to cover up planned American "aggression" in that area. The North Vietnamese are highly sensitive on this issue in view of the revelation by the US of the recent infiltration of the entire North Vietnamese 324th "B" Infantry Division across the DMZ. By avoiding inflammatory statements similar to the Chinese, Hanoi may well hope to play down its own violation of the border and at the same time forestall possible US retaliatory action in the region.

SOUTH VIETNAM BATTLE STATISTICS

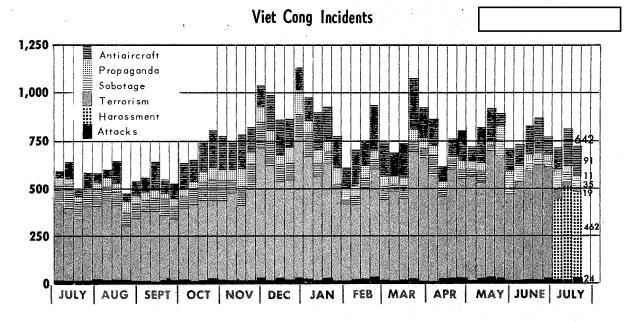
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SOUTH VIETNAM BATTLE STATISTICS

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Viet Cong Attacks

